

IMAGE RESOURCES NL  
ABN 57 063 977 579

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

AND

PROXY FORM

**Date of Meeting**

21 May 2018

**Time of Meeting**

1:00 pm

**Place of Meeting**

The Celtic Club  
48 Ord Street  
West Perth

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*The 31 December 2017 Annual Report may be viewed on the Company's website at [www.imageres.com.au](http://www.imageres.com.au)*

**IMAGE RESOURCES NL**  
**ABN 57 063 977 579**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of Shareholders of Image Resources NL (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 21 May 2018 at 1:00 pm (**Meeting**) for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

**31 December 2017 Financial Statements**

To receive the financial statements of the Company for the year ended 31 December 2017, consisting of the annual financial report, the Directors' report and the auditor's report.

**Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 31 December 2017 Annual Report be and is hereby adopted."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**the voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Resolution 2 – Re-election of Fei Wu as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of article 73 of the Constitution and for all other purposes, Fei Wu, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, is re-elected a Director of the Company."*

**Resolution 3 – Re-election of Chaodian Chen as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of article 73 of the Constitution and for all other purposes, Chaodian Chen, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, is re-elected a Director of the Company."*

**Resolution 4 – Election of Mr Huang Cheng Li as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of article 69.2 of the Constitution and for all other purposes, Mr Huang Cheng Li, who was appointed to the Board since the previous annual general meeting of the Company, retires as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."*

## Resolution 5 – Ratification of Issue of Shares and Pala Warrants

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 56,255,000 Shares and 35,000,000 Pala Warrants to the parties, for the purposes and on the terms set out in the Explanatory Memorandum and in accordance with Annexure A.”*

### Voting Exclusion:

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

## Resolution 6 – Authority to Issue Jett Warrants

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue up to 14,285,714 Jett Warrants to Jett Capital Advisors LLC and on the terms set out in the Explanatory Memorandum and in accordance with Annexure B.”*

### Voting Exclusion:

For the purposes of Listing Rule 7.3, the Company will disregard any votes cast on this Resolution by any person who is expected to participate in the proposed issue or a person who will obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

By order of the Board.



Dennis Wilkins Company

Secretary

Date: 20 April 2018

## EXPLANATORY MEMORANDUM

The accompanying Explanatory Memorandum forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

## PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company;
- a member may appoint a body corporate or an individual as its proxy; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's Share Registry no later than 1:00 pm (WST) on 19 May 2018:

1. by post to Security Transfer Australia Pty Ltd, PO Box 52, Collins Street West, VIC 8007; or
2. by facsimile to Security Transfer Australia Pty Ltd at (08) 6365 7086 (international: +61 8 6365 4086); or
3. email at [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au); or
4. online at [www.securitytransfer.com.au](http://www.securitytransfer.com.au).

## VOTING ENTITLEMENTS

For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00 pm on 18 May 2018. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Meeting.

## CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## ELECTRONIC COMMUNICATION

All Shareholders may elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

## REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

## VOTING OF PROXIES

The Proxy Form accompanying this Explanatory Statement confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Image Resources NL ABN 57 063 977 579 (**Company**) in connection with the business to be conducted at the annual general meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on 21 May 2018 commencing at 1:00 pm.

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice. This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

### Financial and Other Reports

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the financial report, the Directors' report and the auditor's report for the financial year ended 31 December 2017.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- discuss the Annual Report, which is available online from the Company's website [www.imageres.com.au](http://www.imageres.com.au);
- ask questions about, or comment on, the management of the Company; and
- ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- the content of the auditor's report; and
- the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

### Resolution 1 – Adoption of Remuneration Report

#### 1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' report contains the Remuneration Report, which sets out the remuneration policy for the Company and the remuneration arrangements in place for the key management personnel.

The Remuneration Report has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site [www.imageres.com.au](http://www.imageres.com.au).

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board (except the managing director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2016 AGM. Accordingly, a Spill Resolution is not relevant for this AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2018 AGM, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

## 1.2 Voting on the Remuneration Report

In accordance with the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies how the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

## Resolution 2 – Re-election of Fei Wu as a Director

### 2.1 General

Mr Fei Wu was appointed as a Director on 8 June 2016. The Board does not consider Mr Wu to be an independent director as he is associated with the Company's major Shareholder, Murray Zircon.

In accordance with Listing Rule 14.4, no Director may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Directors must retire at each AGM. Accordingly, Mr Wu will retire by rotation and, being eligible, offers himself for re-election.

Accordingly, Mr Wu now retires and being eligible, offers himself for election as a Director.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 2.2 Director's Biography and Experience

Mr Wu has solid operational experience in the Australian resource and mining industry. He specialises in combining the strengths of Australian upstream mining with Chinese downstream processing and end use to optimise the strategy for resource development and maximise the resource value. As the first CEO of Murray Zircon, he built and led the team to complete the development and start-up at the Mindarie mineral sands project in late 2012. Mr Wu was appointed as a Non-Executive Director of Murray Zircon in early 2013. He is currently the CEO and a Director of Queensland Mining Corporation Limited and the CEO of WIM Resources Pty Ltd.

Mr Wu graduated from the University of Science and Technology, Beijing. He holds a Master's Degree in Commerce (Finance) from the Australian National University and a Master's Degree in Science from Cass Business School, City University, London.

### 2.3 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Memorandum, all of the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Wu has a wealth of experience and expertise in the mineral sands industry particularly of the commercial dynamics and beneficiation processes that improve returns. All the Directors, except Mr Wu, recommend that Shareholders vote in favour of Resolution 2.

**Resolution 3 – Re-election of Chaodian Chen as a Director****3.1 General**

Mr Chaodian Chen was appointed as a Director on 8 June 2016. The Board does not consider Mr Chen to be an independent director as he is associated with the Company's major Shareholder, Murray Zircon and is also associated with Orient Zirconic Resources (Australia) Pty Ltd, a substantial shareholder of the Company.

In accordance with Listing Rule 14.4, no Director may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Directors must retire at each AGM. Accordingly, Mr Chen will retire by rotation and, being eligible, offers himself for re-election.

Accordingly, Mr Chen now retires and being eligible, offers himself for election as a Director.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

**3.2 Director's Biography and Experience**

Mr Chen founded Guangdong Orient Zirconic Ind Sci & Tech Co., Ltd (Orient Zirconic) in 1995 and has built the company into a leading company in the zirconium industry. Orient Zirconic is a listed company on the Shenzhen stock exchange in China (SZ: 002167). Mr Chen served as President and Chairman of the company until mid-2013 when China National Nuclear Corporation became the largest shareholder in Orient Zirconic. He became the Chairman of Murray Zircon when the company was founded in 2011 as a result of Orient Zirconic's first investment in mining in Australia. Mr Chen is the Vice President of China's Non-Ferrous Metals Industry Association Titanium Zirconium & Hafnium Branch. He holds an EMBA degree and owns a number of patents involving the processing of zircon.

**3.3 Directors' Recommendation**

Based on the information available, including the information contained in this Explanatory Memorandum, all of the Directors consider that Resolution 3 is in the best interests of the Company, as Mr Chen's long involvement at senior levels in the international minerals sands industry has been an invaluable knowledge source helping to deliver the Boonanarring Project to the development stage in a timely manner. All the Directors, except Mr Chen, recommend that Shareholders vote in favour of Resolution 3.

**Resolution 4 – Election of Mr Huang Cheng Li as a Director****4.1 General**

Mr Huang Cheng Li was appointed as a Director on 4 April 2018.

In accordance with ASX Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. The Company's Constitution also requires that any director appointed during the year to fill a casual vacancy automatically retires at the next AGM but is eligible for re-election at that meeting.

Accordingly, Mr Li, who was appointed by the Directors, now retires, and, being eligible, offers himself for election as a Director.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

**4.2 Director's Biography and Experience**

Mr Li is an investor from Taiwan, with more than 30 years of experience investing in various industries ranging from the general merchandising, precious stones and certification businesses. Mr Li graduated from Tamkang University and in 1981 founded Leecotex International Limited in Taiwan and Capital 88 International Limited in Hong Kong in 1993 where he served as the Managing Director.

In 2015 Mr Li acquired a 49% ownership interest in Giochi Preziosi Group ("GP Group") and served as the Vice President. GP Group is a leading global toy company and has undergone a process of diversification and has expanded into new sectors and markets where it has successfully operated.

Currently, Mr Li is the co-founder of Lee & Wu Company Limited, a company focusing support towards high-tech industries in the development of new material applications. Lee & Wu is establishing a position in the global mining industry through investment and developing international cooperation with resource companies.

### 4.3 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Memorandum, all of the Directors consider that Resolution 4 is in the best interests of the Company, as Mr Li has a wealth of experience and expertise which is valuable to the Company. All the Directors, except Mr Li, recommend that Shareholders vote in favour of Resolution 4.

### Resolution 5 – Ratification of Issue of Shares and Pala Warrants

#### 5.1 General

On 7 March 2018 the Company entered into a Loan Note Subscription Agreement (LNSA) with Pala Investments Limited and Castl lake IV, L.P. and CL V Investment Solutions LLC with the latter two being entities controlled by Castl lake L.P., as the Loan Note Holders, to raise A\$50M<sup>1</sup> from the issue of senior secured loan notes. Funds drawn down under the LNSA will be used for the construction and commissioning of an open cut mine and wet concentration plant at the Company's 100%-owned Boonanarring Mineral Sands Project.

The Boonanarring Project is one of the highest heavy-mineral (HM) grade, high-zircon mineral sands projects in Australia.

It is fully permitted and has a construction lead time of approximately six months. Securing A\$50M via the LNSA, along with A\$25M in equity raised in March 2018, is a significant milestone and allows the Company to complete the development of the Boonanarring Project in accordance with the Company's bankable feasibility study.

The LNSA contains terms and conditions customary to finance facility documents of this nature and includes, among other things, a condition that the agent of the Loan Note Holders has received Subscription Deeds and Warrant Deeds executed by all the parties to them. The Subscription Deeds and Warrant Deeds set out the terms, conditions and obligations of the Company to issue 56,255,000 Pala Shares and 35,000,000 Pala Warrants (collectively the Pala Securities) prior to the Company being able to issue a utilization request to draw down on the LNSA funds. A summary of the Subscription Deeds and Warrant Deeds is set out in Annexure A to this Notice. The Pala Securities will be issued in proportion to the respective Loan Note Holder's participation in providing the Loan Note funds. (See table at 5.2 (d) below).

The Pala Securities have not been issued as at the date of printing of this Notice, however, the Company anticipates that they will be issued prior to the date of the Meeting. If the Company anticipates a delay in the issue of the Pala Securities to a date beyond the meeting date, a different resolution (under Listing Rule 7.1) will be required to approve (rather than ratify as is contemplated by this Resolution 5) the issue of the Pala Securities. In that circumstance, and providing there is sufficient time to do so, an addendum to this Notice will be prepared and sent to Shareholders adding a resolution to seek shareholder approval to issue the Pala Securities under Listing Rule 7.1. This slightly different form may be necessary to ensure compliance with the Listing Rules. The same result will be achieved.

Subject to the comments in the above paragraph, the Pala Securities will be issued pursuant the Company's placement capacity under the Listing Rules. Therefore, the Company is presently seeking, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Pala Securities (which has not occurred as at the date of printing of this Notice but is expected to have occurred by the date of the Meeting).

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

The Company proposes Resolution 5 to ratify the previous issue of the Pala Securities in accordance with Listing Rule 7.4 subject to the Pala Securities being issued prior to the date of the Meeting, as noted above. The Company confirms that the allotment and issue of the Pala Securities the subject of Resolution 5 will not, when issued, breach Listing Rule 7.1.

#### 5.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 56,255,000 Pala Shares will be issued at a deemed value of 10 cents per share and 35,000,000 Pala Warrants will be allotted and issued by the Company at nil value.
- (b) The Pala Shares and Pala Warrants will be issued pursuant to the Subscription Deeds and Warrant Deeds respectively. The material terms and conditions of the Subscription Deeds and Warrant Deeds are summarised in Annexure A.
- (c) The Pala Shares will rank equally with all other fully paid ordinary shares on issue.

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<sup>1</sup> Notes: 1 - US\$ denominated Loan Notes equivalent to AU\$50 million at signing of the LNSA.



- (d) The Pala Shares and Pala Warrants will be issued to parties who are not related parties of the Company to the as set out below:

Name	Shares	Warrants
Pala Investments Limited	21,658,175	13,475,000
Castlake IV LP	15,222,603	9,471,000
CL V Investment Solutions	19,374,222	12,054,000
<b>TOTAL</b>	<b>56,255,000</b>	<b>35,000,000</b>

- (e) No funds will be raised from the issue of Pala Shares or Pala Warrants.
- (f) The Pala Warrants will be issued for nil consideration and on the terms and conditions summarised in Annexure A.
- (g) A voting exclusion statement is included in the Notice.

### 5.3 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 5 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 5. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 5 will restore the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 5. The Chair intends to vote all undirected proxies in favour of this Resolution.

### Resolution 6 – Authority to Issue Jett Warrants

#### 6.1 General

On 12 October 2017 the Company entered into an agreement with Jett Capital Advisors LLC (Jett) to act as the Company's financial advisor in connection with the Company's funding requirements. In accordance with the terms of the agreement as amended, the Company will issue 14,285,714 Jett Warrants upon successful completion of the Company's debt funding arrangements with parties introduced by Jett. Jett introduced the LNSA Loan Note Holders to the Company.

Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the number of the other securities issued within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of members of the Company in General Meeting is obtained.

The Company is seeking shareholder approval for the issue of 14,285,714 Jett Warrants.

#### 6.2 Information required by Listing Rule 7.3

In compliance with Listing Rule 7.3 shareholders are advised as follows:

- (a) The total number of securities which may be issued is 14,285,714 Jett Warrants and will be issued as part consideration pursuant to the terms of the Company's agreement with Jett (as amended);
- (b) The Jett Warrants will be issued to Jett Capital Advisors LLC;
- (c) The Jett Warrants will be issued in accordance with the terms and conditions as set out in Annexure B;
- (d) Upon receipt of shareholder approval for this Resolution, the Jett Warrants will be issued in a single tranche immediately following the Shareholders meeting and, in any event, not later than 3 months following this meeting;
- (e) The Jett Warrants will be issued in accordance with the terms of the agreement as amended with Jett Capital Advisors LLC;
- (f) No funds will be raised from the issue of Jett Warrants; and
- (g) A voting exclusion statement is included in the Notice.

#### 6.3 Directors' Recommendation

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

## GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>AGM</b>	means an annual general meeting.
<b>Annual Report</b>	means the Directors' report, the annual financial report and auditor's report in respect of the financial year ended 31 December 2017.
<b>Associate</b>	has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Boonanarring Project</b>	Means the Boonanarring Mineral Sands Project located 80 km north of Perth in the North Perth Basin in Western Australia.
<b>Closely Related Party</b>	of a member of the Key Management Personnel means: <ul style="list-style-type: none"> <li>▪ a spouse or child of the member;</li> <li>▪ a child of the member's spouse;</li> <li>▪ a dependent of the member or the member's spouse;</li> <li>▪ anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li> <li>▪ a company the member controls; or</li> </ul> a person prescribed by the Corporations Regulations 2001 (Cth).
<b>Company</b>	means Image Resources NL ABN 57 063 977 579.
<b>Constitution</b>	means the Company's constitution, as amended from time to time.
<b>Convertible Security</b>	means a security of the Company which is convertible into Shares.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Equity Securities</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Jett Warrants</b>	means 14,285,714 Warrants to be issued on the terms and conditions contained in Annexure B of this Notice.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Loan Note Holders</b>	means Pala Investments Limited, Castllake IV, L.P. and CL V Investment Solutions LLC.
<b>LNSA</b>	means the Loan Note Subscription Agreement entered into by the Company with Pala Investments Limited and Castllake IV, L.P. and CL V Investment Solutions LLC on 7 March 2018.
<b>Meeting</b>	has the meaning in the introductory paragraph of the Notice.
<b>Murray Zircon</b>	means Murray Zircon Pty Ltd ACN 147 048 744.
<b>Notice or Notice of Meeting</b>	means the Notice of AGM accompanying this Explanatory Memorandum.
<b>Option</b>	means an option to acquire a Share in the Company.

<b>Pala Shares</b>	Means the Shares issued pursuant to the Subscription Deeds
<b>Pala Warrants</b>	means the Warrants issued pursuant to the Warrant Deeds.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company outlined in the Annual Report.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Subscription Deeds</b>	means the Subscription Deed with each Loan Note Holder each executed by the Company on 6 April 2018.
<b>Trading Day</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
<b>VWAP</b>	means volume weighted average price.
<b>WST</b>	means Australian Western Standard Time.
<b>Warrant</b>	means a security that entitles the holder to acquire a Share in the Company at a fixed price until the expiry date.
<b>Warrant Deeds</b>	means the Warrant Deed with each Loan Note Holder each executed by the Company on 6 April 2018.

## Annexure A

### Summary of the material terms of the Subscription Deeds and Warrant Deeds

#### 1 Subscription Deeds – Pala Investments Limited, Castl lake IV LP & CL V Investment Solutions LLC (*Subscribers*)

##### 1.1 The number of Shares (*Subscription Shares*) to be issued to:

- Pala Investments Limited is 21,568,175;
- Castl lake IV, LP is 15,222,603; and
- CL V Investment Solutions LLC is 19,374,222.

The Company will issue the Subscription Shares on the earlier of:

- the date on which the Company issues loan notes to the Loan Note Holders under the LNSA; and
- 7 June 2018.

##### 1.2 The Subscription Shares will be issued fully paid, free from all security interests and rank equally with other ordinary Shares on issue on the date of issue. The consideration for the issues of the Shares is set out in the LNSA.

##### 1.3 Under the Subscription Deeds, the Company and each Subscriber have each provided representations and warranties that are customary in agreements of this nature. Additionally, the Company is required to do all things necessary to ensure the Subscription Shares can be traded freely on ASX once issued.

##### 1.4 The Company is also required to indemnify each Subscriber against all loss suffered or incurred by each Subscriber as a result of a breach of a warranty by the Company.

##### 1.5 Each Subscriber is responsible for the payment of stamp duty or similar tax paid in relation to the Subscription Deeds or the Subscription Shares.

##### 1.6 The Subscription Deeds also require that each party must consult with the other in relation to any public announcement made in connection with a Subscription Deed.

##### 1.7 The terms of the Subscription Deeds include customary terms and conditions relating to: further assurances, entire agreement, variation, waiver, cumulative rights, continuing obligations, notices and counterparts.

##### 1.8 The Subscription Deeds expressly state that neither party may assign or purport to assign or deal with rights under the Deed without the prior written consent of the other party, which may be withheld without justification.

#### 2 Warrant Deeds – Pala Investments Limited, Castl lake IV LP & CL V Investment Solutions LLC (*Warrantholders*)

##### 2.1 The Company has agreed to issue:

- 13,475,000 warrants to Pala Investments Limited;
- 9,471,000 warrants to Castl lake IV LP; and
- 12,054,000 warrants to CL V Investment Solutions LLC, (*Warrants*),

on the earlier of:

- the date on which the Company issues loan notes to the Loan Note Holders under the LNSA (*Utilisation Date*); and
- 7 June 2018.

##### 2.2 The Warrants will be free from any security interest or third party rights, will not be listed or quoted on any stock exchange and no monies will be payable for their issue. Further, the Warrants will expire at 5pm on the date 5 years after the first Utilisation Date (*Expiry Time*).

##### 2.3 Until the Warrants are exercised, the Warrant Deed does not confer on a Warrantholder the right to: vote at meetings of shareholders for the election of directors of the Company, receive dividends declared by the Company, or have any other right as a shareholder.

##### 2.4 The Warrant Deeds provide that the warrants are transferable to any sophisticated or professional investor. The registration of a transfer does not require any further approval by the Company's board. Any proposed transferee

of the Warrants must agree to take and hold such Warrants subject to the provisions of the Warrants Deed and upon the conditions specified in the Warrants Deed.

- 2.5 A Warrantholder (and any other person holding a Warrant), may exercise a Warrant by paying the lower of:
- the average price of the Company's shares issued under the Company's proposed equity capital raising of minimum \$25 million via the issue of shares referred to in the LNSA; and
  - the closing share price on ASX on the date of the LNSA,
- per Warrant, plus a 15% premium per Warrant (**Notice of Exercise**).
- 2.6 Within 5 Business Days of the Notice of Exercise being given, the Warrant Deeds require the Company to issue the Warrantholder with the equivalent number of Shares. These Shares will be credited as fully paid and will rank equally in all respects with Shares already on issue. The Company is required to make an application to have the Shares listed for quotation on ASX and do all things reasonably necessary for the Shares to be quoted for trading.
- 2.7 The Company must give a Warrantholder a minimum of 10 Business Days' notice if it proposes to make a bonus issue of Shares (other than an issue in lieu of dividends or by way of dividend reinvestment), make a pro-rata issue of Shares, establish a record date in connection with the issue of new securities or make any other issuance.
- 2.8 In order to participate in new issues of securities, the Warrantholder must exercise the Warrants and be issued with Shares before the record date of the new issue. Additionally, prior to the expiry of the warrants, if there occurs:
- a consolidation or subdivision in the Company's capital;
  - a return of capital of the Company;
  - a pro-rata cancellation of capital of the Company;
  - a reduction of capital of the Company by way of a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled; and
  - any bonus offer of Shares (or other securities convertible into Shares) by the Company to its shareholders (other than an issue in lieu of dividends or by way of dividend reinvestment pursuant to any shareholder election),
  - reorganises its capital,

the number and price of Warrants held by a Warrantholder will altered according to the terms of the Warrant Deeds to the extent necessary to comply with the ASX Listing Rules.

- 2.9 If, prior to the Expiry Time, the Company:
- makes a pro-rata issue to the holders of Shares, the Exercise Price of the Warrants outstanding will be adjusted in accordance with ASX Listing Rule 6.22.2;
  - reorganises its capital, the rights of the Warrantholders will be changed to the extent necessary to comply with the ASX Listing Rules.
- 2.10 The Warrant Deeds provide that subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and Company's Constitution, all or any rights for the time being attached to the Warrants may only be altered, abrogated or waived with the sanction of a Special Resolution (being a resolution passed by 75% of the Warrantholders) and the consent of the Company and effected by a Deed Poll executed by the Company.
- 2.11 The Warrantholder is responsible for any stamp, registration or similar tax to be paid on or in relation to the Warrant Deeds or the Warrants.
- 2.12 A Warrantholder may assign its rights under a Deed to any person by notice to the Company, provided that, if it is after the grant or issue of the Warrants, the assignment or transfer must be to the person to whom the Warrants were transferred.
- 2.13 The terms of the Deeds include customary terms and conditions relating to: benefit of deed, notices, further assurances, entire agreement and counterparts.

## Annexure B

### Jett Warrants Terms and Conditions for Exercisable Warrants

The Jett Warrants will be unlisted and issued on the following terms:

1. Each Jett Warrant shall be issued as part of the Consideration due to Jett Capital Advisors LLC in accordance with the Jett Mandate dated 12 October 2017.
2. The exercise price of each Warrant is 13.65 cents. (**Exercise Price**).
3. Each Warrant entitles the holder to subscribe for one Share in Image Resources NL ABN 57 063 977 579 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
4. The Warrants will lapse at 5:00 pm, Western Standard Time on the day that is five years after the date of issue (**Expiry Date**).
5. The Warrants may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Warrants and holders of the Warrants will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Warrant.
7. Warrant holders have the right to exercise their Warrants prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Warrants and will be granted a period of at least 10 business days before closing date to exercise the Warrants.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Warrants, the exercise price of the Warrants will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Warrants will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Warrants shall be exercisable at any time until the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Warrant holder to exercise all or a specified number of Warrants held by them accompanied by a Warrant certificate and a cheque made payable to the Company or cleared funds deposited to the Company's bank account nominated for that purpose, for the subscription monies for the Shares. The Notice and cheque or clearer funds must be received by the Company during the Exercise Period. An exercise of only some Warrants shall not affect the rights of the Warrant holder to the balance of the Warrants held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 10 business days of exercise of the Warrants.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.



Name:

(    )

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Email** registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.